THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): ((a) The Life Insurance Corporation of India (LIC) has informed that the Janashree Bima Yojana continues to be in force all over the country including Andhra Pradesh for providing life insurance cover to persons below poverty line and marginally above it provided they belong to identified occupational groups.

(b) LIC has informed that during the period 1st April, 2002 to 28th February, 2003 the number of new lives (provisional) covered by them were 2,71,293 in rural areas and 1,40,672 in urban areas out of which 20,228 lives in rural areas and 21,931 lives in urban areas belong to Andhra Pradesh.

(c) The occupational groups covered under the Scheme in the State of Andhra Pradesh are Beedi Workers, Brick Kiln Workers, Cobblers, Fishermen, Hamals, Handloom Weavers, Handloom & Khadi Weavers, Physically Handicapped Self-Employed Persons, Primary Milk Producers, Rickshaw Pullers, Safai Karmacharis, Scheme for the Urban Poor, Forest Workers, Sericulture, Toddy Tappers, Hilly Area Women, Printing, Toys Manufacture, Agriculturists, Transport Drivers Association, Transport Karmacharis, Rural Poor and Construction Workers.

IRDA's report on pension reforms

3324. SHRI GHULAM NABI AZAD: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Insurance Regulatory Development Authority (IRDA) has submitted report to Government on pension reforms to ensure income security for the country's vast unorganised sector;

(b) if so, what are the recommendations of IRDA in this regard;

(c) whether Government have considered the report and taken a decision on the recommendations; and

(d) if so, the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VISHOBA ADSUL): (a) The Insurance Regulatory and Development Authority (IRDA) submitted a report on Pension Reforms in the "Unorganised Sector" to the Government.

(b) The main features of the proposed pension system recommended by IRDA are :—

(i) The system is envisaged as a purely voluntary one with both the participation and the contributions being voluntary.

(ii) The system is primarily aimed at the unorganised sector that is not covered by any currently available pension scheme.

(iii) The system ensures an organisation which will interface with the contributors and the regulator.

(iv) The system shall have an emphasis on low and clear charges to enable customers to compare easily the different plans.

(v) The emphasis on competition through a system of multiple providers shall ensure that these strive consistently to outperform each other on costs, fund management, and customer service.

(vi) The system would regulate provider and products as well as the selling process thereof, thus reducing cost and complexity while maintaining the security of the peoples' funds.

(vii) The system should also plan for a compulsory annuitisation of a certain threshold level: withdrawal or commutations of the accumulated corpus for certain specified reasons would be permitted beyond this amount.

(c) and (d) The Government announced in the Budget 2003-2004 the introduction of a new pension system, which would offer a basket of pension policies. The system envisages voluntary participation on defined contribution basis which will be portable, allowing transfer of benefits in case of change of employment and will go into "individual pension accounts" with Pension funds. However, there will be no contribution from the Government in respect of non-government employees/individuals. In addition, government also announced a "Varishtha Pension Bima Yojana" through which a pensioner, or any citizen above 55 years of age could on payment of a lump-sum amount get benefits calculated at 9% per annum. This scheme will be implemented through Life Insurance Corporation of India (LIC).